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**EYES ONLY**

DD/M&S 74-1758

29 MAY 1974

MEMORANDUM FOR: Director of Communications  
Director of Finance  
Director of Joint Computer Support  
Director of Logistics  
Acting Director of Medical Services  
Director of Personnel  
Director of Security  
Director of Training

SUBJECT : Performance of Functions by Contract

1. The purpose of this memorandum is to engage in some speculation concerning Agency future personnel levels and the impact on this Directorate if those levels should be lower than authorized for FY-75, and to stimulate thought as to how to meet such a challenge.

2. This communication should be viewed somewhat in the nature of a privileged one although you are at liberty to discuss its content with selected members of your staff. Stated in other terms, I wish to keep knowledge of this matter restricted within this Directorate, would prefer that no copies of this memorandum be made and distributed within your components, and its message not be the subject of discussion at your regular staff meetings. I believe the reasons for this "privileged" approach are obvious. There have been recent surplus exercises and there again may be some in FY-75. It is not in the best interests of Agency morale to exacerbate the situation by running the risk of wide dissemination of matters discussed herein.

3. What I propose to do is put forth a concept, ask you to evaluate your various functions against it, and then provide me with your ideas as to what appears to be such that could be reasonably considered. We will then have individual discussions on the pros and cons and, by such a procedure, will develop a contingency plan which may or may not have to be implemented in the future. This is the first priority. The second priority is to solicit from you any other ideas you may wish to put forward, either in your own domain or that of others, which can be reasonably considered for adoption should personnel levels continue to be reduced in the future. We will establish different reporting dates for both of these tasks.

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Approved For Release 2002/06/04 : CIA-RDP76-00561R000100040114-5

4. The concept I present for your consideration is to endeavor to identify those functions under your jurisdiction which could be reasonably and feasibly considered for performance by a contract relationship as opposed to being performed by U. S. Government employees. Let me initially state that there is an awareness that, in certain cases, such an approach, dollar-wise, may be more and not less expensive than our current manner of doing business. We are likewise aware there are possibilities of degradation of security as there is also a possibility of the degradation of responsiveness. These are factors which will all have to be individually examined on a case-by-case basis as we pursue this matter. In your study of this matter, accordingly, do not feel constrained by the possibility of increased dollar costs. At this stage of the exercise do not be particularly concerned in trying to identify precisely any given contractor to perform the service. Merely arrive at your judgment as to whether a reasonable possibility exists that such a relationship could be brought about. All of this should be done, as previously mentioned, within the confines of this Directorate.

5. There follows a listing of examples, by Office, of functions which could (not necessarily should) be considered. They are obvious "pump primers" and are identified to show that there are possibilities in each DD/M&S component. The examples are:

a. Office of Communications

(1) All or part of the Communications training

25X1

(2) All or part of the Communications equipment

25X1

b. Office of Personnel

(1) Commercial administration of certain applicant testing procedures.

(2) Consider any aspect of Personnel statistical reporting and record-keeping.

c. Office of Logistics

(1) Operation of

25X1

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(2) A segment of the workload of Printing Services Division.

(3) More specifically, the use of commercial art studios for work performed by the Graphics Branch.

d. Office of Finance

(1) Commercial contract audits, legally permissible.

(2) All or part of the payroll function.

e. Office of Security

(1) Use of ADT, Wells Fargo, etc., to replace part of workload of Physical Security Division (Pinkerton Act is not a bar).

(2) Polygraph examination, assuming professional standards of examiners could be approved and monitored.

f. Office of Training

(1) Language training.

(2) Clerical training.

(3) Information Science methods.

g. Office of Medical Services

(1) Annual executive physicals (at local Metropolitan hospitals).

(2) Multiphasic examination program.

h. Office of Joint Computer Support

(1) Select portions of the functions of the Applications Division.

(2) Select portions of the Systems Engineering Division and the User Supply Division.

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6. As it pertains to the concept of contracting, I would appreciate receipt of your response by 1 July. The response to the request for other ideas you may have for performing our functions with further reduced personnel levels would be appreciated by 1 August.

/s/ Harold L. Brownman

HAROLD L. BROWMAN  
Deputy Director  
for  
Management and Services

ADD/M&S:JFB/ms (20 May 74)

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